

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION  
Central Valley Project, California

LONG-TERM RENEWAL CONTRACT BETWEEN THE UNITED STATES  
AND

PROVIDING FOR PROJECT WATER SERVICE  
FROM \_\_\_\_\_ DIVISION

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THIS CONTRACT, made this \_\_\_\_ day of \_\_\_\_\_, 200\_\_, in pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory or supplementary thereto, including, but not limited to, the Acts of August 26, 1937 (50 Stat. 844), as amended and supplemented, August 4, 1939 (53 Stat. 1187), as amended and supplemented, June 21, 1963 (77 Stat. 68), October 12, 1982 (96 Stat. 1262<sup>3</sup>), October 27, 1986 (100 Stat. 3050), as amended, and Title XXXIV of the Act of October 30, 1992 (106 Stat. 4706), all collectively hereinafter referred to as Federal Reclamation law, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, and \_\_\_\_\_, hereinafter referred to as the Contractor, a public agency of the State of California, duly organized, existing, and acting pursuant to the laws thereof, with its principal place of business in California;

WITNESSETH, That:

EXPLANATORY RECITALS

[1<sup>st</sup>] WHEREAS, the United States has constructed and is operating the Central Valley Project,

1 California, for diversion, storage, carriage, distribution and beneficial use, for flood control, irrigation,  
2 municipal, domestic, industrial, fish and wildlife mitigation, protection and restoration, generation and  
3 distribution of electric energy, salinity control, navigation and other beneficial uses, of waters of the  
4 Sacramento River, the American River, the Trinity River, and the San Joaquin River and their tributaries; and

5 [2<sup>nd</sup>] WHEREAS, the United States constructed \_\_\_\_\_, hereinafter  
6 collectively referred to as the \_\_\_\_\_ [Division/Unit] facilities, which will be used in part for the  
7 furnishing of water to the Contractor pursuant to the terms of this Contract; and

8 [3<sup>rd</sup>] WHEREAS, the rights to Project Water were acquired by the United States pursuant to  
9 California law for operation of the Project; and

10 [4<sup>th</sup>] WHEREAS, the Contractor and the United States entered into Contract No.  
11 \_\_\_\_\_, as amended, which established terms for the delivery to the Contractor of Central Valley  
12 Project Water from the \_\_\_\_\_ [Division/Unit] from \_\_\_\_\_ through  
13 \_\_\_\_\_; and [Contractor specific issue as to "as amended"]

14 [5<sup>th</sup>] [FOR IRC'S] WHEREAS, the Contractor and the United States have pursuant to  
15 subsection 3404(c)(1) of the Central Valley Project Improvement Act (CVPIA), subsequently entered into  
16 interim renewal contract(s) identified as Contract No(s).\_\_\_\_\_, the current of  
17 which is hereinafter referred to as the Existing Contract, which provided for the continued water service to  
18 the Contractor from \_\_\_\_\_ through \_\_\_\_\_; and

19 [6<sup>th</sup>] WHEREAS, Section 3404(c) of the CVPIA provides for long-term renewal of interim and

1 existing long-term Central Valley Project Water service contracts following completion of appropriate  
2 environmental documentation, including a programmatic environmental impact statement (PEIS) pursuant to  
3 the National Environmental Policy Act analyzing the direct and indirect impacts and benefits of implementing  
4 the CVPIA and the potential renewal of all existing contracts for Project Water; and

5 [7<sup>th</sup>] WHEREAS, the United States has completed the PEIS and all other appropriate  
6 environmental review necessary to provide for long-term renewal of the Existing Contract; and

7 [8<sup>th</sup>] WHEREAS, the Contractor has requested the long-term renewal of the Existing Contract,  
8 pursuant to the terms of the Existing Contract, Federal Reclamation law, and the laws of the State of  
9 California, for water service from the Central Valley Project; and

10 [9<sup>th</sup>] WHEREAS, the United States has determined that the Contractor has fulfilled all of its  
11 obligations under the Existing Contract; and

12 [10<sup>th</sup>] [CONTRACTOR SPECIFIC] WHEREAS, the Contractor has demonstrated to the  
13 satisfaction of the Contracting Officer that the Contractor has utilized the Central Valley Project Water  
14 supplies available to it for reasonable and beneficial use and/or has demonstrated projected  
15 future demand for water use such that the Contractor has the capability<sup>1</sup> and expects to utilize fully for  
16 reasonable and beneficial use the quantity of Project Water to be made available to it pursuant to this  
17 Contract; and

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1 Contractor Specific issue - This recital may need to be modified for individual contractors who do not have the capability today to take Project Water but can demonstrate that they will have the capability to take Project Water prior to the delivery of water.

1           [11<sup>th</sup>] WHEREAS, water obtained from the Central Valley Project has been relied upon by urban  
2 areas within California for more than fifty (50) years, and is considered by the Contractor as an essential  
3 portion of its water supply; and

4           [12<sup>th</sup>] WHEREAS, the economies of regions within the Central Valley Project, including the  
5 Contractor=s, depend upon the continued availability of water, including water service from the Central  
6 Valley Project; and

7           [13<sup>th</sup>] WHEREAS, in the CALFED Programmatic Record of Decision, dated August 28, 2000,  
8 the United States and the State of California adopted a general target of continuously improving Delta water  
9 quality for all uses. The CALFED Agencies= target for providing safe, reliable, and affordable drinking water  
10 in a cost-effective way, is to achieve either: (a) average concentrations at Clinton Forebay and other southern  
11 and central Delta drinking water intakes of 50 ug/L bromide and 3.0 mg/L total organic carbon, or (b) an  
12 equivalent level of public health protection using a cost-effective combination of alternative source waters,  
13 source control and treatment technologies; and

14           [14<sup>th</sup>] WHEREAS, the Secretary intends through coordination, cooperation, and partnerships to  
15 pursue measures to improve water supply, water quality, and reliability of the Project for all Project  
16 purposes; and

17           [15<sup>th</sup>] WHEREAS, the mutual goals of the United States and the Contractor include: to provide for  
18 reliable Central Valley Project Water supplies; to control costs of those supplies; to achieve repayment of  
19 the Central Valley Project as required by law; to guard reasonably against Central Valley Project Water



1 shortages; to achieve a reasonable balance among competing demands for use of Central Valley Project  
2 Water; and to comply with all applicable environmental statutes, all consistent with the legal obligations of the  
3 United States relative to the Central Valley Project; and

4 [16<sup>th</sup>] WHEREAS, the parties intend by this Contract to develop a more cooperative relationship  
5 in order to achieve their mutual goals; and

6 [17<sup>th</sup>] WHEREAS, the United States and the Contractor are willing to enter into this long-term  
7 renewal contract pursuant to Federal Reclamation law on the terms and conditions set forth below;

8 NOW, THEREFORE, in consideration of the mutual and dependent covenants herein contained, it is  
9 hereby mutually agreed by the parties hereto as follows:

10 DEFINITIONS

11 1. When used herein unless otherwise distinctly expressed, or manifestly incompatible with the  
12 intent of the parties as expressed in this Contract, the term:

13 (a) ACalendar Year@ shall mean the period January 1 through December 31, both dates  
14 inclusive;

15 (b) ACharges@ shall mean the payments required by Federal Reclamation law in addition  
16 to the Rates and Tiered Pricing Components specified in this Contract as determined annually by the  
17 Contracting Officer pursuant to this Contract;

18 (c) ACondition of Shortage@ shall mean a condition respecting the Project during any

1 Year such that the Contracting Officer is unable to deliver sufficient water to meet the Contract Total;2

2 (d) AContracting Officer@shall mean the Secretary of the Interior's duly authorized  
3 representative acting pursuant to this Contract or applicable Federal Reclamation law or regulation;

4 (e) AContract Total@shall mean the maximum amount of water to which the Contractor  
5 is entitled under subdivision (a) of Article 3 of this Contract;

6 (f) AContractor's Service Area" shall mean the area to which the Contractor is permitted  
7 to provide Project Water under this Contract as described in Exhibit AA@attached hereto, which may be  
8 modified from time to time in accordance with Article 35 of this Contract without amendment of this  
9 Contract; 3

10 (g) ACSVPIA@shall mean the Central Valley Project Improvement Act, Title XXXIV of  
11 the Act of October 30, 1992 (106 Stat. 4706);

12 (h-i) Omitted;

13 (j) AFull Cost Rate@shall mean ~~that~~ an annual water rate, determined by the Contracting  
14 Officer that amortizes the expenditures for construction properly allocable to the Project Irrigation or M&I  
15 functions, as appropriate, of facilities in service including operation and maintenance deficits funded, less  
16 payments, over such periods as may be required under Federal Reclamation law, or applicable contract  
17 provisions. Interest will accrue on both the construction expenditures and funded O&M deficits from  
18 October 12, 1982, on costs outstanding at that date, or from the date incurred in the case of costs arising

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2 May need to be modified for some divisions, including a definition of interruption of supply.

1 subsequent to October 12, 1982, and shall be calculated in accordance with subsections 202(3)(B) and  
2 (3)(C) of the RRA. The full-cost rate includes actual operation, maintenance, and replacement costs  
3 consistent with Section 426.2 of the Rules and Regulations for the RRA ~~described in Sections 205(a)(3) or~~  
4 ~~202(3) of the RRA, whichever is applicable;~~ 4

5 (k-~~n~~) Omitted;

6 (m) “Irrigation Water” shall mean water made available from the Project that is used  
7 primarily in the production of agricultural crops or livestock, including domestic use incidental thereto, and  
8 watering of livestock;

9 (n) Omitted;

10 (o) ~~AMunicipal and Industrial (M&I) Water@ shall mean water made available from the~~  
11 ~~Project~~ Water, other than Irrigation Water, made available to the Contractor. M&I Water shall  
12 include water used for human use and purposes such as the watering of landscaping or pasture for animals  
13 (e.g., horses) which are kept for personal enjoyment or water delivered to land holdings operated in units of  
14 less than five (5) acres unless the Contractor establishes to the satisfaction of the Contracting Officer that the  
15 use of water delivered to any such landholding is a use described in subdivision (m) of this Article;

16 (p) ~~AM&I Full Cost Water Rate@ shall~~ mean the Full Cost Rate applicable to the delivery  
17 of M&I Water ~~mean the annual rate, which, as determined by the Contracting Officer, shall amortize the~~  
18 ~~expenditures for construction allocable to Project M&I facilities in service, including, O&M deficits funded,~~

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3 Some Contractors may propose alternate language. Some Contractors may use a legal description, others may use a map.

~~less payments, over such periods as may be required under Federal Reclamation law with interest accruing from the dates such costs were first incurred plus the applicable rate for the O&M of such Project facilities. Interest rates used in the calculation of the M&I Full Cost Rate shall comply with the Interest Rate methodology contained in Section 202 (3) (B) and (C) of the RRA;~~

(q) "AOperation and Maintenance@or AO&M" shall mean normal and reasonable care, control, operation, repair, replacement (other than Capital replacement), and maintenance of Project facilities;

(r) "AOperating Non-Federal Entity" shall mean the \_\_\_\_\_, a Non-Federal entity which has the obligation to operate and maintain all or a portion of the \_\_\_\_\_ [Division/Unit] facilities pursuant to an agreement with the United States, and which may have funding obligations with respect thereto;

(s) "AProject@shall mean the Central Valley Project owned by the United States and managed by the Department of the Interior, Bureau of Reclamation;

(t) "AProject Contractors@shall mean all parties who have water service contracts for Project Water from the Project with the United States pursuant to Federal Reclamation law;

(u) "AProject Water@shall mean all water that is developed, diverted, stored, or delivered by the Secretary in accordance with the statutes authorizing the Project and in accordance with the terms and conditions of water rights acquired pursuant to California law;

(v) **ARates@** shall mean the payments determined annually by the Contracting Officer in accordance with the then current applicable water ratesetting policies for the Project, as described in subdivision (a) of Article 7 of this Contract;

(w) **ARecent Historic Average@** shall mean the most recent five (5) -year average of the final forecast of Water Made Available to the Contractor pursuant to this Contract or its preceding contract(s);

(x) **ASecretary@** shall mean the Secretary of the Interior, a duly appointed successor, or an authorized representative acting pursuant to any authority of the Secretary and through any agency of the Department of the Interior;

(y) **ATiered Pricing Component@** shall be the incremental amount to be paid for each acre-foot of Water Delivered as described in subdivision (j) of Article 7 of this Contract;

(z) **AWater Delivered@** or **ADelivered Water@** shall mean Project Water diverted for use by the Contractor at the point(s) of delivery approved by the Contracting Officer;5

(aa) **AWater Made Available@** shall mean the estimated amount of Project Water that can be delivered to the Contractor for the upcoming Year as declared by the Contracting Officer, pursuant to subdivision (a) of Article 4 of this Contract;

(bb) **AWater Scheduled@** shall mean Project Water made available to the Contractor for which times and quantities for delivery have been established by the Contractor and Contracting Officer,

pursuant to subdivision (b) of Article 4(a) of this Contract; and

(cc) "Year" shall mean the period from and including March 1 of each Calendar Year through the last day of February of the following Calendar Year.

#### TERM OF CONTRACT

2. (a) This Contract shall be effective March 1, 200\_, through February 28 (29), 20\_\_6.

In the event the Contractor wishes to renew the Contract beyond February 28 (29), 20\_\_, the Contractor shall submit a request for renewal in writing to the Contracting Officer no later than two (2) years prior to the date this Contract expires. ~~The renewal of this Contract insofar as it pertains to the furnishing of M&I Water to the Contractor shall be governed by subdivision (b) of this Article.~~

(b) ~~Reserved~~ Omitted.

(c) This Contract, ~~insofar as it pertains to the furnishing of M&I Water to the Contractor,~~ shall be renewed for a period of ~~twenty five (25)~~ \_\_\_\_\_ years~~6~~ and thereafter shall be renewed for successive periods of up to forty (40) years each, which periods shall be consistent with the then-existing Reclamation-wide policy, under terms and conditions mutually agreeable to the parties and consistent with Federal and State law. ~~The present Reclamation-wide policy, dated March 20, 2000, provides that the term of such contracts shall be no more than twenty five (25) years each, subject to a variance to allow a longer term in appropriate circumstances.~~ The Contractor shall be afforded the opportunity to comment to the

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5 This language may be modified at the Contractor level.

Contracting Officer on the proposed adoption and application of any revised Reclamation-wide policy applicable to the delivery of Project M&I Water that would limit the term of any subsequent renewal contract with the Contractor for the furnishing of M&I Water to less than ~~twenty-five (25)~~ 6 years.

(d) The Contracting Officer shall make a determination 10 years after the date of execution of this Contract, and every 5 years thereafter during the term of this Contract, of whether a conversion to a contract under ~~said~~ subsection (c)(1) of Section 9 of the Reclamation Project Act of 1939 can be accomplished, pursuant to the Act of July 2, 1956 (Public Law 643). Notwithstanding any provision of this Contract, the Contractor reserves and shall have all rights and benefits under Public Law 643. The Contracting Officer anticipates that ~~by December 31, 2024~~ during the term of this contract, all authorized project construction expected to occur will have occurred, and on that basis the Contracting Officer agrees ~~by that date~~ upon such completion to allocate all costs that are properly assignable to the Contractor, and agrees further that, at any time after such allocation is made, and subject to satisfaction of the conditions set out in this subdivision of this Article, this contract shall, at the request of the contractor, be converted to a contract under said subsection (c)(1) of Section 9, ~~of the Reclamation Project Act of 1939~~, subject to applicable Federal law and under stated terms and conditions mutually agreeable to the Contractor and the Contracting Officer. A condition for such conversion to occur shall be a determination by the Contracting Officer that, account being taken of the amount credited to return by the Contractor as provided for under Federal Reclamation law, the remaining amount of construction costs assignable for ultimate return by the

Contractor can probably be repaid to the United States within the term of a contract under said subsection 9(c)(1) of Section 9. If the remaining amount of costs that are properly assignable to the Contractor cannot be determined by December 31, 2024 during the term of this Contract, the Contracting Officer shall notify the Contractor, and provide the reason(s) why such a determination could not be made. Further, the Contracting Officer shall make such a determination as soon thereafter as possible so as to permit, upon request of the Contractor and satisfaction of the conditions set out above, conversion to a contract under said subsection 9(c)(1) of Section 9. ~~In the event such determination of costs has not been made at a time which allows conversion of this Contract during the term of this contract or the Contractor has not requested conversion of this Contract within such term, the parties shall incorporate in any subsequent renewal contract as described in Article 2(c) a provision that carries forth in substantially identical terms the provisions of this Article 2(d). In the event the Contracting Officer is able to make a determination of the remaining amount of costs that are properly assignable to the Contractor before December 31, 2024, the Contracting Officer shall do so at the earliest time he/she has such ability.~~

WATER TO BE MADE AVAILABLE AND DELIVERED TO THE CONTRACTOR

3. [DIVISIONAL] (a) During each Year, consistent with all applicable State water rights, permits, and licenses, Federal law, and subject to the provisions set forth in Articles 11 and 12 of this Contract, the Contracting Officer shall make available for delivery to the Contractor \_\_\_\_\_ acre-feet of water for M&I purposes. The quantity of Water Delivered to the Contractor in accordance with this



subdivision shall be scheduled and paid for pursuant to the provisions of Articles 4 and 7 of this Contract.

(b) Because the capacity of the Central Valley Project to deliver Project Water has been constrained in recent years and may be constrained in the future due to many factors including hydrologic conditions and implementation of Federal and State laws, the likelihood of the Contractor actually receiving the amount of Water set out in subdivision (a) of this Article in any given Year is uncertain. The Contracting Officer's most recent modeling referenced in the PEIS projected that the Contract Total set forth in this Contract will not be available to the Contractor in many years. During the most recent five (5) years, the Recent Historic Average of water made available to the Contractor was \_\_\_\_ acre-feet. Nothing in subdivision (b) of this Article shall affect the rights and obligations of the parties under any provision of this Contract.

(c) The Contractor shall utilize the Project Water in accordance with all applicable legal requirements.

(d) The Contractor shall make reasonable and beneficial use of all Project Water or other water furnished pursuant to this Contract. Groundwater recharge programs (direct, indirect, or in lieu), groundwater banking programs, surface water storage programs, and other similar programs utilizing Project Water or other water furnished pursuant to this Contract conducted within the Contractor's Service Area which are consistent with applicable State law and result in use consistent with Federal Reclamation law will be allowed; Provided, That any direct recharge program(s) is (are) described in the Contractor's Water Conservation Plan submitted pursuant to Article 26 of this Contract; Provided, further, That such Water

Conservation Plan demonstrates sufficient lawful uses exist in the Contractor's Service Area so that using a long-term average, the quantity of Delivered Water is demonstrated to be reasonable for such uses and in compliance with Federal Reclamation Law. Groundwater recharge programs, groundwater banking programs, surface water storage programs, and other similar programs utilizing Project Water or other water furnished pursuant to this Contract conducted outside the Contractor's Service Area may be permitted upon written approval of the Contracting Officer, which approval will be based upon environmental documentation, Project Water rights, and Project operational concerns. The Contracting Officer will address such concerns in regulations, policies, or guidelines.

(e) The Contractor shall comply with requirements applicable to the Contractor in biological opinion(s) prepared as a result of a consultation regarding the execution of this Contract undertaken pursuant to Section 7 of the Endangered Species Act of 1973, as amended, that are within the Contractor's legal authority to implement. ~~The Contractor shall comply with the limitations or requirements imposed by environmental documentation applicable to the Contractor and within its legal authority to implement regarding specific activities.~~ The Existing Contract, which evidences in excess of \_\_\_\_ years of diversions for municipal and industrial purposes of the quantities of water provided in subdivision (a) of Article 3 of this Contract, will be considered in developing an appropriate baseline for the Biological Assessment prepared pursuant to the Endangered Species Act, and any other needed environmental review.

Nothing herein shall be construed to prevent the Contractor from challenging or seeking judicial relief in a court of competent jurisdiction with respect to any biological opinion or other environmental documentation

referred to in this Article.<sup>7</sup>

(f) Following the declaration of Water Made Available under Article 4 of this Contract, the Contracting Officer will make a determination whether Project Water, or other water available to the Project, can be made available to the Contractor in addition to the Contract Total under Article 3 of this Contract during the Year without adversely impacting other Project Contractors. At the request of the Contractor, the Contracting Officer will consult with the Contractor prior to making such a determination. If the Contracting Officer determines that Project Water, or other water available to the Project, can be made available to the Contractor, the Contracting Officer will announce the availability of such water and shall so notify the Contractor as soon as practical. The Contracting Officer will thereafter meet with the Contractor and other Project Contractors capable of taking such water to determine the most equitable and efficient allocation of such water. If the Contractor requests the delivery of any quantity of such water, the Contracting Officer shall make such water available to the Contractor in accordance with applicable statutes, regulations, guidelines, and policies.

(g) The Contractor may request permission to reschedule for use during the subsequent Year some or all of the Water Made Available to the Contractor during the current Year referred to as ~~Acarryover.~~<sup>8</sup> ~~The Contractor may request permission to use during the current Year a quantity of Project Water which may be made available by the United States to the Contractor during the subsequent Year referred to as Aprause.~~<sup>@</sup> The Contracting Officer's written approval may permit such uses in accordance with

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<sup>7</sup> Specific Contract Issue: The concern over land use authority may be the subject of discussion with individual contractors.

1 applicable statutes, regulations, guidelines, and policies.

2 (h) The Contractor's right pursuant to Federal Reclamation law and applicable State law  
3 to the reasonable and beneficial use of Water Delivered pursuant to this Contract during the term thereof and  
4 any subsequent renewal contracts, as described in Article 2 of this Contract, during the terms thereof shall  
5 not be disturbed so long as the Contractor shall fulfill all of its obligations under this Contract and any  
6 renewals thereof. Nothing in the preceding sentence shall affect the Contracting Officer's ability to impose  
7 shortages under Article 11 or subdivision (b) of Article 12 of  
8 this Contract or applicable provisions of any subsequent renewal contracts.

9 (i) Project Water furnished to the Contractor pursuant to this Contract may be  
10 delivered for purposes other than those described in subdivision (o) of Article 1 of this Contract upon written  
11 approval by the Contracting Officer in accordance with the terms and conditions of such approval.

12 (j) The Contracting Officer shall make reasonable efforts to protect the water rights  
13 necessary for the Project and to provide the water available under this Contract. The Contracting Officer  
14 shall not object to participation by the Contractor, in the capacity and to the extent permitted by law, in  
15 administrative proceedings related to the Project Water rights; Provided, however, That the Contracting  
16 Officer retains the right to object to the substance of the Contractor's position in such a proceeding;

17 Provided further, that in such proceedings the Contracting Officer shall recognize the Contractor has a legal  
18 right under the terms of this Contract to use Project Water.

TIME FOR DELIVERY OF WATER

(4) (a) On or about February 20 of each Calendar Year, the Contracting Officer shall announce the Contracting Officer's expected declaration of the Water Made Available. Such declaration of Project operations will be expressed in terms of both Water Made Available and the Recent Historic Average The declaration and will be updated monthly, and more frequently if necessary, based on then-current operational and hydrologic conditions and a new declaration with changes, if any, to the Water Made Available will be made. The Contracting Officer shall provide forecasts of Project operations and the basis of the estimate, with relevant supporting information, upon the written request of the Contractor. Concurrently with the declaration of the Water Made Available, the Contracting Officer shall provide the Contractor with the updated Recent Historic Average. ~~The declaration of Project operations will be expressed in terms of both Water Made Available and the Recent Historic Average.~~

(b) On or before each March 1 and at such other times as necessary, the Contractor shall submit to the Contracting Officer a written schedule, satisfactory to the Contracting Officer, showing the monthly quantities of Project Water to be delivered by the United States to the Contractor pursuant to this Contract for the Year commencing on such March 1. The Contracting Officer shall use all reasonable means to deliver Project Water according to the approved schedule for the Year commencing on such March 1.

(c) The Contractor shall not schedule Project Water in excess of the quantity of Project Water the Contractor intends to put to reasonable and beneficial use within the Contractor's Service Area or to sell, transfer or exchange pursuant to Article 9 of this Contract during any Year.

(d) Subject to the conditions set forth in subdivision (a) of Article 3 of this Contract, the United States shall deliver Project Water to the Contractor in accordance with the initial schedule submitted by the Contractor pursuant to subdivision (b) of this Article, or any written revision(s), satisfactory to the Contracting Officer, thereto submitted within a reasonable time prior to the date(s) on which the requested change(s) is/are to be implemented.

POINT OF DIVERSION AND RESPONSIBILITY FOR DISTRIBUTION OF WATER

5. (a) Project Water scheduled pursuant to subdivision (b) of Article 4 of this Contract shall be delivered to the Contractor at \_\_\_\_\_ and any additional point or points of delivery either on Project facilities or another location or locations mutually agreed to in writing by the Contracting Officer and the Contractor.

(b) [DIVISIONAL ISSUE – FOR SOME DIVISIONS POINTS OF DELIVERY SPECIFICALLY IDENTIFIED] The Contracting Officer, the Operating Non-Federal Entity, or other appropriate entity as designated by the Contracting Officer (hereafter Another appropriate entity@) shall make all reasonable efforts to maintain sufficient flows and levels of water in the \_\_\_\_\_ Canal to deliver Project Water to the Contractor at specific turnouts established pursuant to subdivision (a) of this Article.

(c) The Contractor shall not deliver Project Water to land outside the Contractor's Service Area unless approved in advance by the Contracting Officer.

(d) All Water Delivered to the Contractor pursuant to this Contract shall be measured and recorded with equipment furnished, installed, operated, and maintained by the United States, the

1 Operating Non-Federal Entity or other appropriate entity ~~as designated by the Contracting Officer (hereafter~~  
2 ~~Another appropriate entity)~~ at the point or points of delivery established pursuant to subdivision (a) of this  
3 Article. Upon the request of either party to this Contract, the Contracting Officer shall investigate, or cause  
4 to be investigated by the responsible Operating Non-Federal Entity, the accuracy of such measurements and  
5 shall take any necessary steps to adjust any errors appearing therein. For any period of time when accurate  
6 measurements have not been made, the Contracting Officer shall consult with the Contractor and the  
7 responsible Operating Non-Federal Entity prior to making a final determination of the quantity delivered for  
8 that period of time.

9 (e) Neither the Contracting Officer nor any Operating Non-Federal Entity shall be  
10 responsible for the control, carriage, handling, use, disposal, or distribution of ~~Project~~ Water Delivered to the  
11 Contractor pursuant to this Contract beyond the delivery points specified in subdivision (a) of this Article.  
12 The Contractor shall indemnify the United States, its officers, employees, agents, and assigns on account of  
13 damage or claim of damage of any nature whatsoever for which there is legal responsibility, including  
14 property damage, personal injury, or death arising out of or connected with the control, carriage, handling,  
15 use, disposal, or distribution of such ~~Project~~ Water Delivered beyond such delivery points, except for any  
16 damage or claim arising out of: (i) acts or omissions of the Contracting Officer or any of its officers,  
17 employees, agents, or assigns, including any responsible Operating Non-Federal Entity, with the intent of  
18 creating the situation resulting in any damage or claim; (ii) willful misconduct of the Contracting Officer or any  
19 of its officers, employees, agents, or assigns, including any responsible Operating Non-Federal Entity; (iii)

negligence of the Contracting Officer or any of its officers, employees, agents, or assigns including any responsible Operating Non-Federal Entity; or (iv) damage or claims resulting from a malfunction of facilities owned and/or operated by the United States or responsible Operating Non-Federal Entity; Provided, That the Contractor is not the Operating Non-Federal Entity that owned or operated the malfunctioning facility(ies) from which the damage claim arose.

MEASUREMENT OF WATER WITHIN THE SERVICE AREA<sup>9</sup>

6. [Contractor Specific] (a) By \_\_\_\_\_[DATE] \_\_\_\_\_, the Contractor shall ensure that, unless the Contractor establishes an alternative measurement program satisfactory to the Contracting Officer, all surface water delivered for ~~municipal and industrial~~ M&I purposes is measured at each ~~municipal and industrial~~ M&I service connection. The water measuring devices or water measuring methods of comparable effectiveness must be acceptable to the Contracting Officer. The Contractor shall be responsible for installing, operating, and maintaining and repairing all such measuring devices and implementing all such water measuring methods at no cost to the United States. The Contractor shall use the information obtained from such water measuring devices or water measuring methods to ensure its proper management of the water, to bill water users for water delivered by the Contractor; and, if applicable, to record water delivered for ~~municipal and industrial~~ M&I purposes by customer class as defined in the Contractor's water conservation plan provided for in Article 26 of this Contract. Nothing herein contained, however, shall preclude the Contractor from establishing and collecting any charges,



1 assessments, or other revenues authorized by California law. The Contractor shall include a summary of all  
2 its annual surface water  
3 deliveries in the annual report described in subdivision (c) of Article 26.

4 (b) [Contractor Specific] To the extent the information has not otherwise been  
5 provided, upon execution of this Contract, the Contractor shall provide to the Contracting Officer a written  
6 report describing the measurement devices or water measuring methods being used or to be used to  
7 implement subdivision (a) of this Article and identifying the ~~municipal and industrial~~ M&I service connections  
8 or alternative measurement programs approved by the Contracting Officer, at which such measurement  
9 devices or water measuring methods are being used, and, if applicable, identifying the locations at which such  
10 devices and/or methods are not yet being used including a time schedule for implementation at such locations.

11 The Contracting Officer shall advise the Contractor in writing within sixty (60) days as to the adequacy of,  
12 and necessary modifications, if any, of the measuring devices or water measuring methods identified in the  
13 Contractor's report and if the Contracting Officer does not respond in such time, they shall be deemed  
14 adequate. If the Contracting Officer notifies the Contractor that the measuring devices or methods are  
15 inadequate, the parties shall within sixty (60) days following the Contracting Officer's response, negotiate in  
16 good faith the earliest practicable date by which the Contractor shall modify said measuring devices and/or  
17 measuring methods as required by the Contracting Officer to ensure compliance with subdivision (a) of this  
18 Article.

(c) All new surface water delivery systems installed within the Contractor's Service Area after the effective date of this Contract<sup>10</sup> shall also comply with the measurement provisions described in subdivision (a) of this Article.

(d) [Contractor Specific] The Contractor shall inform the Contracting Officer and the State of California in writing by April 30 of each Year of the monthly volume of surface water delivered within the Contractor's Service Area during the previous Year.

(e) [Contractor Specific] The Contractor shall inform the Contracting Officer and the Operating Non-Federal Entity on or before the twentieth (20th) calendar day of each month of the quantity of M&I Water taken during the preceding month.

#### RATES AND METHOD OF PAYMENT FOR WATER

7. (a) The Contractor shall pay the United States as provided in this Article for all Delivered Water at Rates, Charges, and the Tiered Pricing Component established in accordance with: (i) the Secretary's then-existing ratesetting policy for M&I Water. Such ratesetting policies shall be amended, modified, or superseded only through a public notice and comment procedure; (ii) applicable Federal Reclamation law and associated rules and regulations, or policies; and (iii) other applicable provisions of this Contract. Payments shall be made by cash transaction, wire transfer, or any other mechanism as may be agreed to in writing by the Contractor and the Contracting Officer. The Rates, Charges, and Tiered Pricing Components applicable to the Contractor upon execution of this Contract are set forth in Exhibit AB<sup>10</sup>, as may

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<sup>10</sup> Some Contractors may propose alternate date.

1 be revised annually.

2 (b) The Contracting Officer shall notify the Contractor of the Rates, Charges, and Tiered  
3 Pricing Components as follows:

4 (1) Prior to July 1 of each Calendar Year, the Contracting Officer shall provide  
5 the Contractor an estimate of the Charges for Project Water that will be applied to the period October 1, of  
6 the current Calendar Year, through September 30, of the following Calendar Year, and the basis for such  
7 estimate. The Contractor shall be allowed not less than two (2) months to review and comment on such  
8 estimates. On or before September 15 of each Calendar Year, the Contracting Officer shall notify the  
9 Contractor in writing of the Charges to be in effect during the period October 1 of the current Calendar  
10 Year, through September 30, of the following Calendar Year, and such notification shall revise Exhibit AB.®

11 (2) Prior to October 1 of each Calendar Year, the Contracting Officer shall  
12 make available to the Contractor an estimate of the Rates and Tiered Pricing Components for Project Water  
13 for the following Year and the computations and cost allocations upon which those Rates are based. The  
14 Contractor shall be allowed not less than two (2) months to review and comment on such computations and  
15 cost allocations. By December 31 of each Calendar Year, the Contracting Officer shall provide the  
16 Contractor with the final Rates and Tiered Pricing Components to be in effect for the upcoming Year, and  
17 such notification shall revise Exhibit AB.®

18 (c) At the time the Contractor submits the initial schedule for the delivery of Project  
19 Water for each Year pursuant to subdivision (b) of Article 4 of this Contract, the Contractor shall make an

1 advance payment to the United States equal to the total amount payable pursuant to the applicable Rate(s)  
2 set under subdivision (a) of this Article, for the Project Water scheduled to be delivered pursuant to this  
3 Contract during the first two (2) calendar months of the Year. Before the end of the first month and before  
4 the end of each calendar month thereafter, the Contractor shall make an advance payment to the United  
5 States, at the Rate(s) set under subdivision (a) of this Article, for the Water Scheduled to be delivered  
6 pursuant to this Contract during the second month immediately following. Adjustments between advance  
7 payments for Water Scheduled and payments at Rates due for Water Delivered shall be made before the  
8 end of the following month; Provided, That any revised schedule submitted by the Contractor pursuant to  
9 Article 4 of this Contract which increases the amount of Water Delivered pursuant to this Contract during  
10 any month shall be accompanied with appropriate advance payment, at the Rates then in effect, to assure  
11 that Project Water is not delivered to the Contractor in advance of such payment. In any month in which the  
12 quantity of Water Delivered to the Contractor pursuant to this Contract equals the quantity of Water  
13 Scheduled and paid for by the Contractor, no additional Project Water shall be delivered to the Contractor  
14 unless and until an advance payment at the Rates then in effect for such additional Project Water is made.  
15 Final adjustment between the advance payments for the Water Scheduled and payments for the quantities of  
16 Water Delivered during each Year pursuant to this Contract shall be made as soon as practicable but no  
17 later than April 30th of the following Year, or sixty (60) days after the delivery of Project Water carried over  
18 under subdivision (~~fg~~) of Article 3 of this Contract if such water is not delivered by the last day of February.

19 (d) The Contractor shall also make a payment in addition to the Rate(s) in subdivision

(c) of this Article to the United States for Water Delivered, at the Charges and the appropriate Tiered Pricing Component then in effect, before the end of the month of delivery; Provided, That the Contractor ~~may be granted an exception from the Tiered Pricing Component pursuant to subdivision (j)(2) of this Article.~~ The payments shall be consistent with the quantities of M&I Water Delivered as shown in the water delivery report for the subject month prepared by the Operating Non-Federal Entity or, if there is no Operating Non-Federal Entity, by the Contracting Officer. The water delivery report shall be deemed a bill for the payment of Charges and the applicable Tiered Pricing Component for Water Delivered. Adjustment for overpayment or underpayment of Charges shall be made through the adjustment of payments due to the United States for Charges for the next month. Any amount to be paid for past due payment of Charges and the Tiered Pricing Component shall be computed pursuant to Article 20 of this Contract.

(e) The Contractor shall pay for any Water Delivered under subdivision (d), (f), or (g) of Article 3 of this Contract as determined by the Contracting Officer pursuant to applicable statutes, associated regulations, any applicable provisions of guidelines or ratesetting policies; Provided, That the Rate for Water Delivered under subdivision (d) of Article 3 of this Contract shall be no more than the otherwise applicable Rate for M&I Water under subdivision (a) of this Article.

(f) Payments to be made by the Contractor to the United States under this Contract may be paid from any revenues available to the Contractor.

(g) All revenues received by the United States from the Contractor relating to the delivery of Project Water or the delivery of non-Project ~~W~~water through Project facilities shall be allocated

1 and applied in accordance with Federal Reclamation law and the associated rules or regulations, and the then  
2 current Project ratesetting policies for M&I Water.

3 (h) The Contracting Officer shall keep its accounts pertaining to the administration of the  
4 financial terms and conditions of its long-term contracts, in accordance with applicable Federal standards, so  
5 as to reflect the application of Project costs and revenues. The Contracting Officer shall, each Year upon  
6 request of the Contractor, provide to the Contractor a detailed accounting of all Project and Contractor  
7 expense allocations, the disposition of all Project and Contractor revenues, and a summary of all water  
8 delivery information. The Contracting Officer and the Contractor shall enter into good faith negotiations to  
9 resolve any discrepancies or disputes relating to accountings, reports, or information.

10 (i) The parties acknowledge and agree that the efficient administration of this Contract is  
11 their mutual goal. Recognizing that experience has demonstrated that mechanisms, policies, and procedures  
12 used for establishing Rates, Charges, and Tiered Pricing Components, and/or for making and allocating  
13 payments, other than those set forth in this Article may be in the mutual best interest of the parties, it is  
14 expressly agreed that the parties may enter into agreements to modify the mechanisms, policies, and  
15 procedures for any of those purposes while this Contract is in effect without amending this Contract.

16 (j) (1) Beginning at such time as deliveries of Project Water in a Year exceed eighty  
17 (80%) percent of the Contract Total, then before the end of the month following the month of delivery the  
18 Contractor shall make an additional payment to the United States equal to the applicable Tiered Pricing  
19 Component. The Tiered Pricing Component for the amount of Water Delivered in excess of eighty (80%)

1 percent of the Contract Total, but less than or equal to ninety (90%) percent of the Contract Total, shall  
2 equal the one-half of the difference between the Rate established under subdivision (a) of this Article and the  
3 M&I Full Cost Water Rate. The Tiered Pricing Component for the amount of Water Delivered which  
4 exceeds ninety (90%) percent of the Contract Total shall equal the difference between (i) the Rate  
5 established under subdivision (a) of this Article and (ii) the M&I Full Cost Water Rate.

6 (2) Omitted.

7 (3) For purposes of determining the applicability of the Tiered Pricing  
8 Components pursuant to this Article, Water Delivered shall include Project Water that the Contractor  
9 transfers to others but shall not include Project Water transferred and delivered to the Contractor.11

10 (k) For the term of this Contract, Rates under the respective ratesetting policies will be  
11 established to recover only reimbursable ~~Operation and Maintenance~~ O&M (including any deficits) and  
12 capital costs of the Project, as those terms are used in the then-current Project ratesetting policies, and  
13 interest, where appropriate, except in instances where a minimum Rate is applicable in accordance with the  
14 relevant Project ratesetting policy. Changes of significance in practices which implement the Contracting  
15 Officer's ratesetting policies will not be implemented until the Contracting Officer has provided the  
16 Contractor an opportunity to discuss the nature, need, and impact of the proposed change.

17 (l) Except as provided in subsections 3405(a)(1)(B) and 3405(f) of the CVPIA, the  
18 Rates for Project Water transferred by the Contractor shall be the Contractor's Rates adjusted upward or

downward to reflect the changed costs of delivery (if any) of the transferred Project Water to the transferee's point of delivery in accordance with the then applicable CVP Ratesetting Policy.

(m) Omitted.

(n) The Contractor asserts that it is not legally obligated to repay any Project deficits or deficit-related interest charges claimed by the United States to have accrued as of the date of this Contract. By entering into this Contract, the Contractor does not waive any legal rights or remedies that it may have with respect to such disputed issues. Notwithstanding the execution of this Contract and payments made hereunder, the Contractor may challenge in the appropriate administrative or judicial forums: (1) the computation, or imposition of any deficit charges accruing during the term of the Existing Contract; (2) interest accruing on any such deficits; (3) the inclusion of any such deficit charges or interest in the Rates; (4) the application by the United States of payments made by the Contractor under its Existing Contract; and (5) the application of such payments in the Rates. The Contracting Officer agrees that the Contractor shall be entitled to the benefit of any administrative or judicial ruling in favor of any other Project M&I contractor on any of these issues, provided that the basis for such ruling is applicable to the Contractor.<sup>12</sup>

#### NON-INTEREST BEARING OPERATION AND MAINTENANCE DEFICITS

8. ~~The Contractor and the Contracting Officer concur that, as of the effective date of this Contract, the Contractor has no non interest bearing operation and maintenance deficits and shall have no further liability therefor.~~

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<sup>11</sup> Divisions/Districts may propose alternative language.



1           {Or,}

2           ~~The Contractor and the Contracting Officer have entered into a written agreement specifying~~  
3 ~~a mutually acceptable mechanism through which the Contractor will retire its outstanding non-interest bearing~~  
4 ~~Operation and Maintenance deficits.~~ Omitted.

5                               SALES, TRANSFERS, OR EXCHANGES OF WATER

6           9.       (a)     The right to receive Project Water provided for in this Contract may be sold,  
7 transferred, or exchanged to others for reasonable and beneficial uses within the State of California if such  
8 sale, transfer, or exchange is authorized by applicable Federal and State laws, and applicable guidelines or  
9 regulations then in effect. No sale, transfer, or exchange of Project Water under this Contract may take  
10 place without the prior written approval of the Contracting Officer, except as provided for in subdivision (b)  
11 of this Article, and no such sales, transfers, or exchanges shall be approved absent ~~compliance with~~ all  
12 appropriate environmental documentation, including but not limited to documents prepared pursuant to the  
13 National Environmental Policy Act and the Endangered Species Act. Such environmental documentation  
14 should include, as appropriate, an analysis of groundwater impacts and economic and social effects, including  
15 environmental justice, of the proposed water transfers on both the transferor and transferee.

16                   (b)     In order to facilitate efficient water management by means of water transfers of the  
17 type historically carried out among Project Contractors located within the same geographical area and to  
18 allow the Contractor to participate in an accelerated water transfer program during the term of this Contract,

1 the Contracting Officer shall prepare, as appropriate, necessary environmental documentation including, but  
2 not limited to, the National Environmental Policy Act and the Endangered Species Act analyzing annual  
3 transfers within such geographical areas and the Contracting Officer shall determine whether such transfers  
4 comply with applicable law. Following the completion of the environmental documentation, such transfers  
5 addressed in such documentation shall be conducted with advance notice to the Contracting Officer, but shall  
6 not require prior written approval by the Contracting Officer. Such environmental documentation and the  
7 Contracting Officer's compliance determination shall be reviewed every five (5) years and updated, as  
8 necessary, prior to the expiration of the then existing five (5) -year period. All subsequent environmental  
9 documentation shall include an alternative to evaluate not less than the quantity of Project Water historically  
10 transferred within the same geographical area.

11 (c) For a water transfer to qualify under subdivision (b) of this Article, such water  
12 transfer must: (i) be for irrigation purposes for lands irrigated within the previous three (3) years, for M&I  
13 use, groundwater recharge, water banking, or fish and wildlife resources; not lead to land conversion; and be  
14 delivered to established cropland, wildlife refuges, groundwater basins or municipal and industrial use; (ii)  
15 occur within a single Year; (iii) occur between a willing seller and a willing buyer; (iv) convey water through  
16 existing facilities with no new construction or modifications to facilities and be between existing Project  
17 contractors and/or the Contractor and the United States, Department of the Interior; and (v) comply with all  
18 applicable Federal, State, and local or tribal laws and requirements imposed for protection of the  
19 environment and Indian Trust Assets, as defined under Federal law.

APPLICATION OF PAYMENTS AND ADJUSTMENTS

10. (a) The amount of any overpayment by the Contractor of the Contractor's O&M, Capital, and deficit (if any) obligations for the Year shall be applied first to any current liabilities of the Contractor arising out of this Contract then due and payable. Overpayments of more than One Thousand Dollars (\$1,000) shall be refunded at the Contractor's request. In lieu of a refund, any amount of such overpayment at the option of the Contractor, may be credited against amounts to become due to the United States by the Contractor. With respect to overpayment, such refund or adjustment shall constitute the sole remedy of the Contractor or anyone having or claiming to have the right to the use of any of the Project Water supply provided for herein. All credits and refunds of overpayments shall be made within thirty (30) days of the Contracting Officer obtaining direction as to how to credit or refund such overpayment in response to the notice to the Contractor that it has finalized the accounts for the Year in which the overpayment was made.

(b) All advances for miscellaneous costs incurred for work requested by the Contractor pursuant to Article 25 of this Contract shall be adjusted to reflect the actual costs when the work has been completed. If the advances exceed the actual costs incurred, the difference will be refunded to the Contractor. If the actual costs exceed the Contractor's advances, the Contractor will be billed for the additional costs pursuant to Article 25 of this Contract.

TEMPORARY REDUCTIONS--RETURN FLOWS

11. (a) Subject to: (i) the authorized purposes and priorities of the Project and the

1 requirements of Federal law and (ii) the obligations of the United States under existing contracts, or renewals  
2 thereof, providing for water deliveries from the Project, the Contracting Officer shall make all reasonable  
3 efforts to optimize Project Water deliveries to the Contractor as provided in this Contract.

4 (b) The Contracting Officer or Operating Non-Federal Entity may temporarily  
5 discontinue or reduce the quantity of Water Delivered to the Contractor as herein provided for the purposes  
6 of investigation, inspection, maintenance, repair, or replacement of any of the Project facilities or any part  
7 thereof necessary for the delivery of Project Water to the Contractor, but so far as feasible the Contracting  
8 Officer or Operating Non-Federal Entity will give the Contractor due notice in advance of such temporary  
9 discontinuance or reduction, except in case of emergency, in which case no notice need be given; Provided,  
10 That the United States shall use its best efforts to avoid any discontinuance or reduction in such service.  
11 Upon resumption of service after such reduction or discontinuance, and if requested by the Contractor, the  
12 United States will, if possible, deliver the quantity of Project Water which would have been delivered  
13 hereunder in the absence of such discontinuance or reduction.

14 (c) The United States reserves the right to all seepage and return flow water derived  
15 from Water Delivered to the Contractor hereunder which escapes or is discharged beyond the Contractor's  
16 Service Area; Provided, That this shall not be construed as claiming for the United States any right as  
17 seepage or return flow being put to reasonable and beneficial use pursuant to this Contract within the

Contractor's Service Area<sup>13</sup> by the Contractor or those claiming by, through, or under the Contractor.

CONSTRAINTS ON THE AVAILABILITY OF WATER

12. (a) In its operation of the Project, the Contracting Officer will use all reasonable means to guard against a Condition of Shortage in the quantity of water to be made available to the Contractor pursuant to this long-term renewal Contract. In the event the Contracting Officer determines that a Condition of Shortage appears probable, the Contracting Officer will notify the Contractor of said determination as soon as practicable.

(b) If there is a Condition of Shortage because of errors in physical operations of the Project, drought, other physical causes beyond the control of the Contracting Officer or actions taken by the Contracting Officer to meet legal obligations then, except as provided in subdivision (a) of Article 18 of this Contract, no liability shall accrue against the United States or any of its officers, agents, or employees for any damage, direct or indirect, arising therefrom.

~~(c) In any Year in which there may occur a shortage for any of the reasons specified in subdivision (b) above, the Contracting Officer shall apportion the available Project Water supply among the Contractor and others entitled, under existing contracts and future contracts (to the extent such future contracts are permitted under subsections (a) and (b) of Section 3404 of the CVPIA) and renewals thereof, to receive Project Water consistent with the contractual obligations of the United States. Omitted.~~

(~~e~~d) Project Water furnished under this long-term renewal ~~e~~CContract will be allocated in

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<sup>13</sup> Divisions may propose alternate language.

accordance with the then-existing Project M&I Water Shortage Policy. Such policy shall be amended, modified, or superseded only through a public notice and comment procedure.

### UNAVOIDABLE GROUNDWATER PERCOLATION

13. Omitted.

### RULES, ~~AND~~ REGULATIONS<sup>14</sup>, ~~AND DETERMINATIONS~~

14. The parties agree that the delivery of Water or use of Federal facilities pursuant to this Contract is subject to Federal Reclamation law, as amended and supplemented, and the rules and regulations promulgated by the Secretary of the Interior under Federal Reclamation law.

### WATER AND AIR POLLUTION CONTROL

15. The Contractor, in carrying out this Contract, shall comply with all applicable water and air pollution laws and regulations of the United States and the State of California, and shall obtain all required permits or licenses from the appropriate Federal, State, or local authorities.

### QUALITY OF WATER<sup>15</sup>

16. (a) Project facilities used to deliver Project Water to the Contractor pursuant to this Contract shall be operated and maintained to enable the United States to deliver Project Water to the Contractor in accordance with the water quality standards specified in subsection 2(b) of the Act of August 26, 1937 (50 Stat. 865), as added by Section 101 of the Act of October 27, 1986 (100 Stat. 3050) or other existing Federal laws. The United States is under no obligation to construct or furnish water treatment

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14 Contractor Specific Issue - This may need to be modified on an individual contractor basis. Some contractors may be precluded by law to agreeing to all or part of this Article.

1 facilities to maintain or to improve the quality of Water Delivered to the Contractor pursuant to this Contract.

2 The United States does not warrant the quality of Water Delivered to the Contractor pursuant to this  
3 Contract.

4 (b) The ~~Operation and Maintenance~~ O&M of Project facilities shall be performed in  
5 such manner as is practicable to maintain the quality of raw water made available through such facilities at the  
6 highest level reasonably attainable as determined by the Contracting Officer.

7 WATER ACQUIRED BY THE CONTRACTOR  
8 OTHER THAN FROM THE UNITED STATES

9 17. (a) Omitted.

10 (b) Water or water rights now owned or hereafter acquired by the Contractor, other  
11 than from the United States ~~or adverse to the Project or its contractors (i.e. non-Project Water)~~, may be  
12 stored, conveyed and/or diverted through Project facilities, subject to the completion of appropriate  
13 environmental documentation, with the approval of the Contracting Officer and the execution of any contract  
14 determined by the Contracting Officer to be necessary, consistent with the following provisions:

15 (1) The Contractor may introduce non-Project ~~W~~water into Project facilities  
16 and deliver said water to lands within the Contractor's Service Area, subject to payment to the United States  
17 and/or to any applicable Operating Non-Federal Entity of an appropriate rate as

1 determined by the CVP Ratesetting Policy and the Reclamation Reform Act of 1982, each as amended,  
2 modified or superceded from time to time. In addition, if electrical power is required to pump non-Project  
3 ~~W~~water through the facilities, the Contractor shall be responsible for obtaining the necessary power and  
4 paying the necessary charges therefor.

5 (2) Delivery of such non-Project ~~W~~water in and through Project facilities shall  
6 only be allowed to the extent such deliveries do not: (i) interfere with other Project purposes as determined  
7 by the Contracting Officer; (ii) reduce the quantity or quality of water available to other Project water service  
8 contractors; (iii) interfere with the delivery of contractual water entitlements to any other Project water  
9 service contractors; or (iv) interfere with the physical maintenance of the Project facilities.

10 (3) Neither the United States nor the Operating Non-Federal Entity shall be  
11 responsible for control, care or distribution of the non-Project ~~W~~water before it is introduced into or after it  
12 is delivered from the Project facilities. The Contractor hereby releases and agrees to defend and indemnify  
13 the United States and the Operating Non-Federal Entity, and their respective officers, agents, and  
14 employees, from any claim for damage to persons or property, direct or indirect, ~~resulting from Contractor's~~  
15 ~~diversion or extraction of non-Project Water from any source~~ arising out of or relating to the Contractor's or  
16 its officer's, employee's, agent's or assign's, act of (i) extracting or diverting non-Project water from any  
17 source, or (ii) diverting such non-Project water into Project-facilities.

18 (4) Diversion of such non-Project ~~W~~water into Project facilities shall be  
19 consistent with all applicable laws, and if involving groundwater, consistent with any applicable groundwater



1 management plan for the area from which it was extracted.

2 (5) After Project purposes are met, as determined by the Contracting Officer,  
3 the United States and the Contractor shall share priority to utilize the remaining capacity of the facilities  
4 declared to be available by the Contracting Officer for conveyance and transportation of non-Project  
5 ~~W~~water prior to any such remaining capacity being made available to non-Project contractors.

6 [DIVISIONAL ISSUE – DIVISIONS MAY SEEK LANGUAGE PROVIDING FOR WHEELING  
7 AND NON-PROJECT WATER PURSUANT TO CVPIA SECTION 3408(c), ETC.]

8  
9 OPINIONS AND DETERMINATIONS

10 18. (a) Where the terms of this Contract provide for actions to be based upon the opinion  
11 or determination of either party to this Contract, said terms shall not be construed as permitting such action  
12 to be predicated upon arbitrary, capricious, or unreasonable opinions or determinations. Both parties,  
13 notwithstanding any other provisions of this Contract, expressly reserve the right to seek relief from and  
14 appropriate adjustment for any such arbitrary, capricious, or unreasonable opinion or determination. Each  
15 opinion or determination by either party shall be provided in a timely manner. Nothing in subdivision (a) of  
16 Article 18 of this Contract is intended to or shall affect or alter the standard of judicial review applicable  
17 under Federal law to any opinion or determination implementing a specific provision of Federal law  
18 embodied in statute or regulation.

19 (b) The Contracting Officer shall have the right to make determinations necessary to  
20 administer this Contract that are consistent with the expressed and implied provisions of this Contract, the

laws of the United States and of the State of California, and the rules and regulations promulgated by the Secretary of the Interior. Such determinations shall be made in consultation with the Contractor.

### COORDINATION AND COOPERATION

19. (a) In order to further their mutual goals and objectives, the Contracting Officer and the Contractor shall communicate, coordinate, and cooperate with each other, and with other affected Project Contractors, in order to improve the operation and management of the Project. The communication, coordination, and cooperation regarding operations and management shall include, but not be limited to, any action which will or may materially affect the quantity or quality of Project Water supply, the allocation of Project Water supply, and Project financial matters including, but not limited to, budget issues. The communication, coordination, and cooperation provided for hereunder shall extend to all provisions of this Contract. Each party shall retain exclusive decision making authority for all actions, opinion, and determinations to be made by the respective party.

(b) Within one hundred twenty (120) days following the effective date of this Contract, the Contractor, other affected Project Contractors, and the Contracting Officer shall arrange to meet with interested Project Contractors to develop a mutually agreeable, written Project-wide process, which may be amended as necessary separate and apart from this Contract. The goal of this process shall be to provide, to the extent practicable, the means of mutual communication and interaction regarding significant decisions concerning Project operation and management on a real-time basis.

(c) In light of the factors referred to in subdivision (b) of Article 3 of this Contract, it is

1 the intent of the Secretary to improve water supply reliability. To carry out this intent:

2 (1) The Contracting Officer will, at the request of the Contractor, assist in the  
3 development of integrated resource management plans for the Contractor. Further, the Contracting Officer  
4 will, as appropriate, seek authorizations for implementation of partnerships to improve water supply, water  
5 quality, and reliability.

6 (2) The Secretary will, as appropriate, pursue program and project  
7 implementation and authorization in coordination with Project Contractors to improve the water supply,  
8 water quality, and reliability of the Project for all Project purposes.

9 (3) The Secretary will coordinate with Project Contractors and the State of  
10 California to seek improved water resource management.

11 (4) The Secretary will coordinate actions of agencies within the Department of  
12 the Interior that may impact the availability of water for Project purposes.

13 (5) The Contracting Officer shall periodically, but not less than annually, hold  
14 division level meetings to discuss Project operations, division level water management activities, and other  
15 issues as appropriate.

16 (d) Without limiting the contractual obligations of the Contracting Officer under the other  
17 Articles of this Contract, ~~hereunder~~, nothing in this ~~Contract~~ Article shall be construed to limit or constrain the  
18 Contracting Officer's ability to communicate, coordinate, and cooperate with the Contractor or other  
19 interested stakeholders or to make decisions in a timely fashion as needed to protect health, safety, physical

1 integrity of structures or facilities, ~~or the Contracting Officer's ability to comply with applicable laws.~~

2 CHARGES FOR DELINQUENT PAYMENTS

3 20. (a) The Contractor shall be subject to interest, administrative and penalty charges on  
4 delinquent installments or payments. When a payment is not received by the due date, the Contractor shall  
5 pay an interest charge for each day the payment is delinquent beyond the due date. When a payment  
6 becomes sixty (60) days delinquent, the Contractor shall pay an administrative charge to cover additional  
7 costs of billing and processing the delinquent payment. When a payment is delinquent ninety (90) days or  
8 more, the Contractor shall pay an additional penalty charge of six (6%) percent per year for each day the  
9 payment is delinquent beyond the due date. Further, the Contractor shall pay any fees incurred for debt  
10 collection services associated with a delinquent payment.

11  
12 (b) The interest charge rate shall be the greater of the rate prescribed quarterly in the  
13 Federal Register by the Department of the Treasury for application to overdue payments, or the interest rate  
14 of one-half of one (0.5%) percent per month prescribed by Section 6 of the Reclamation Project Act of  
15 1939 (Public Law 76-260). The interest charge rate shall be determined as of the due date and remain fixed  
16 for the duration of the delinquent period.

17  
18 (c) When a partial payment on a delinquent account is received, the amount received  
19 shall be applied, first to the penalty, second to the administrative charges, third to the accrued interest, and  
20 finally to the overdue payment.

21 EQUAL OPPORTUNITY

22  
23  
24 21. During the performance of this Contract, the Contractor agrees as follows:

25  
26 (a) The Contractor will not discriminate against any employee or applicant for  
27 employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative  
28 action to ensure that applicants are employed, and that employees are treated during employment, without  
29 regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the  
30 following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or  
31 termination, rates of payment or other forms of compensation; and selection for training, including  
32 apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants  
33 for employment, notices to be provided by the Contracting Officer setting forth the provisions of this  
34 nondiscrimination clause.  
35

1 (b) The Contractor will, in all solicitations or advertisements for employees placed by or  
2 on behalf of the Contractor, state that all qualified applicants will receive consideration for employment  
3 without discrimination because of race, color, religion, sex, or national origin.  
4

5 (c) The Contractor will send to each labor union or representative of workers with  
6 which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by  
7 the Contracting Officer, advising the said labor union or workers' representative of the Contractor's  
8 commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of  
9 the notice in conspicuous places available to employees and applicants for employment.  
10

11 (d) The Contractor will comply with all provisions of Executive Order No. 11246 of  
12 September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of  
13 Labor.  
14

15 (e) The Contractor will furnish all information and reports required by said amended  
16 Executive Order and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and  
17 will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor  
18 for purposes of investigation to ascertain compliance with such rules, regulations, and orders.  
19

20 (f) In the event of the Contractor's noncompliance with the nondiscrimination clauses of  
21 this Contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated,  
22 or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government  
23 contracts in accordance with procedures authorized in said amended Executive Order, and such other  
24 sanctions may be imposed and remedies invoked as provided in said Executive Order, or by rule, regulation,  
25 or order of the Secretary of Labor, or as otherwise provided by law.  
26

27 (g) The Contractor will include the provisions of paragraphs (a) through (g) in every  
28 subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor  
29 issued pursuant to Section 204 of said amended Executive Order, so that such provisions will be binding  
30 upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or  
31 purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions,  
32 including sanctions for noncompliance: Provided, however, That in the event the Contractor becomes  
33 involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the  
34 Contractor may request the United States to enter into such litigation to protect the interests of the United  
35 States.  
36

GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

22. (a) The obligation of the Contractor to pay the United States as provided in this Contract is a general obligation of the Contractor notwithstanding the manner in which the obligation may be distributed among the Contractor's water users and notwithstanding the default of individual water users in their obligations to the Contractor.

(b) The payment of charges becoming due hereunder is a condition precedent to receiving benefits under this Contract. The United States shall not make water available to the Contractor through Project facilities during any period in which the Contractor may be in arrears in the advance payment of water rates due the United States. The Contractor shall not furnish water made available pursuant to this Contract for lands or parties which are in arrears in the advance payment of water rates levied or established by the Contractor.

(c) With respect to subdivision (b) of this Article, the Contractor shall have no obligation to require advance payment for water rates which it levies.

COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

23. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), Section 504 of the Rehabilitation Act of 1975 (P.L. 93-112, as amended), the Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.) and any other applicable civil rights laws, as well as with their respective implementing regulations and guidelines imposed by the U.S. Department of the Interior and/or Bureau of Reclamation.

(b) These statutes require that no person in the United States shall, on the grounds of race, color, national origin, handicap, or age, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving financial assistance from the Bureau of Reclamation. By executing this Contract, the Contractor agrees to immediately take any measures necessary to implement this obligation, including permitting officials of the United States to inspect premises, programs, and documents.

(c) The Contractor makes this agreement in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other Federal financial assistance extended after the date hereof to the Contractor by the Bureau of Reclamation, including

1 installment payments after such date on account of arrangements for Federal financial assistance which were  
2 approved before such date. The Contractor recognizes and agrees that such Federal assistance will be  
3 extended in reliance on the representations and agreements made in this Article, and that the United States  
4 reserves the right to seek judicial enforcement thereof.

5  
6 PRIVACY ACT COMPLIANCE  
7

8 24. Omitted.  
9

10 CONTRACTOR TO PAY CERTAIN MISCELLANEOUS COSTS

11 25. In addition to all other payments to be made by the Contractor pursuant to this Contract, the  
12 Contractor shall pay to the United States, within sixty (60) days after receipt of a bill and detailed statement  
13 submitted by the Contracting Officer to the Contractor for such specific items of direct cost incurred by the  
14 United States for work requested by the Contractor associated with this Contract plus indirect costs in  
15 accordance with applicable Bureau of Reclamation policies and procedures. All such amounts referred to in  
16 this Article shall not exceed the amount agreed to in writing in advance by the Contractor. This Article shall  
17 not apply to costs for routine contract administration.

18 WATER CONSERVATION

19 26. (a) Prior to the delivery of water provided from or conveyed through Federally  
20 constructed or Federally financed facilities pursuant to this Contract, the Contractor shall be implementing an  
21 effective water conservation and efficiency program based on the Contractor's water conservation plan that  
22 has been determined by the Contracting Officer to meet the conservation and efficiency criteria for evaluating  
23 water conservation plans established under Federal law. The water conservation and efficiency program

1 shall contain definite water conservation objectives, appropriate economically feasible water conservation  
2 measures, and time schedules for meeting those objectives. Continued Project Water delivery pursuant to  
3 this Contract shall be contingent upon the Contractor's continued implementation of such water conservation  
4 program. In the event the Contractor's water conservation plan or any revised water conservation plan  
5 completed pursuant to subdivision (d) of Article 26 of this Contract have not yet been determined by the  
6 Contracting Officer to meet such criteria, due to circumstances which the Contracting Officer determines are  
7 beyond the control of the Contractor, water deliveries shall be made under this Contract so long as the  
8 Contractor diligently works with the Contracting Officer to obtain such determination at the earliest  
9 practicable date, and thereafter the Contractor immediately begins implementing its water conservation and  
10 efficiency program in accordance with the time schedules therein.

11 (b) Should the amount of M&I Water delivered pursuant to subdivision (a) of Article 3  
12 of this Contract equal or exceed two thousand (2,000) acre-feet per Year, the Contractor shall implement  
13 the Best Management Practices identified by the time frames issued by the California Urban Water  
14 Conservation Council for such M&I Water unless any such practice is determined by the Contracting Officer  
15 to be inappropriate for the Contractor.

16 (c) The Contractor shall submit to the Contracting Officer a report on the status of its  
17 implementation of the water conservation plan on the reporting dates specified in the then existing  
18 conservation and efficiency criteria established under Federal law.

19 (d) At five (5) -year intervals, the Contractor shall revise its water conservation plan to



1 reflect the then current conservation and efficiency criteria for evaluating water conservation plans established  
2 under Federal law and submit such revised water management plan to the Contracting Officer for review and  
3 evaluation. The Contracting Officer will then determine if the water conservation plan meets Reclamation's  
4 then current conservation and efficiency criteria for evaluating water conservation plans established under  
5 Federal law.

6 (e) If the Contractor is engaged in direct groundwater recharge, such activity shall be  
7 described in the Contractor's water conservation plan.

#### 8 EXISTING OR ACQUIRED WATER OR WATER RIGHTS

9 27. Except as specifically provided in Article 17 of this Contract, the provisions of this Contract  
10 shall not be applicable to or affect non-Project ~~W~~water or water rights now owned or hereafter acquired by  
11 the Contractor or any user of such water within the Contractor's Service Area. Any such water shall not be  
12 considered Project Water under this Contract. In addition, this Contract shall not be construed as limiting or  
13 curtailing any rights which the Contractor or any water user within the Contractor's Service Area acquires or  
14 has available under any other contract pursuant to Federal Reclamation law.

#### 15 OPERATION AND MAINTENANCE BY NON-FEDERAL ENTITY<sup>16</sup>

16 28. (a) The ~~Operation and Maintenance~~ O&M of a portion of the Project facilities which  
17 serve the Contractor, and responsibility for funding a portion of the costs of such ~~Operation and~~  
18 ~~Maintenance~~ O&M, have been transferred to the Operating Non-Federal Entity by separate agreement

1 between the United States and the Operating Non-Federal Entity. That separate agreement shall not  
2 interfere with or affect the rights or obligations of the Contractor or the United States hereunder.

3 (b) The Contracting Officer has previously notified the Contractor in writing that the  
4 ~~Operation and Maintenance~~ O&M of a portion of the Project facilities which serve the Contractor has been  
5 transferred to the Operating Non-Federal Entity, and therefore, the Contractor shall pay directly to the  
6 Operating Non-Federal Entity, or to any successor approved by the Contracting Officer under the terms and  
7 conditions of the separate agreement between the United States and the Operating Non-Federal Entity  
8 described in subdivision (a) of this Article, all rates, charges, or assessments of any kind, including any  
9 assessment for reserve funds, which the Operating Non-Federal Entity or such successor determines, sets,  
10 or establishes for the ~~Operation and Maintenance~~ O&M of the portion of the Project facilities operated and  
11 maintained by the Operating Non-Federal Entity or such successor. Such direct payments to the Operating  
12 Non-Federal Entity or such successor shall not relieve the Contractor of its obligation to pay directly to the  
13 United States the Contractor's share of the Project Rates, Charges, and Tiered Pricing Components except  
14 to the extent the Operating Non-Federal Entity collects payments on behalf of the United States in  
15 accordance with the separate agreement identified in subdivision (a) of this Article.

16 (c) For so long as the ~~Operation and Maintenance~~ O&M of any portion of the Project  
17 facilities serving the Contractor is performed by the Operating Non-Federal Entity, or any successor thereto,  
18 the Contracting Officer shall adjust those components of the Rates for Water Delivered under this Contract

1 representing the cost associated with the activity being performed by the Operating Non-Federal Entity or its  
2 successor.

3 (d) In the event the ~~Operation and Maintenance~~ O&M of the Project facilities operated  
4 and maintained by the Operating Non-Federal Entity is re-assumed by the United States during the term of  
5 this Contract, the Contracting Officer shall so notify the Contractor, in writing, and present to the Contractor  
6 a revised Exhibit AB@ which shall include the portion of the Rates to be paid by the Contractor for Project  
7 Water under this Contract representing the ~~Operation and Maintenance~~ O&M costs of the portion of such  
8 Project facilities which have been re-assumed. The Contractor shall, thereafter, in the absence of written  
9 notification from the Contracting Officer to the contrary, pay the Rates, Charges, and Tiered Pricing  
10 Component(s) specified in the revised Exhibit AB@ directly to the United States in compliance with Article 7  
11 of this Contract.

12 CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

13 29. The expenditure or advance of any money or the performance of any obligation of the United  
14 States under this Contract shall be contingent upon appropriation or allotment of funds. Absence of  
15 appropriation or allotment of funds shall not relieve the Contractor from any obligations under this Contract.  
16 No liability shall accrue to the United States in case funds are not appropriated or allotted.

17  
18 BOOKS, RECORDS, AND REPORTS  
19

20 30. (a) The Contractor shall establish and maintain accounts and other books and records  
21 pertaining to administration of the terms and conditions of this Contract, including: the Contractor's financial  
22 transactions, water supply data, and Project land and right-of-way agreements; water use data; and other  
23 matters that the Contracting Officer may require. Reports thereon shall be furnished to the Contracting  
24 Officer in such form and on such date or dates as the Contracting Officer may require. Subject to applicable  
25 Federal laws and regulations, each party to this Contract shall have the right during office hours to examine

1 and make copies of the other party's books and records relating to matters covered by this Contract.

2  
3 (b) Notwithstanding the provisions of subdivision (a) of this Article, no books, records,  
4 or other information shall be requested from the Contractor by the Contracting Officer unless such books,  
5 records, or information are reasonably related to the administration or performance of this Contract. Any  
6 such request shall allow the Contractor a reasonable period of time within which to provide the requested  
7 books, records, or information.

8 (c) At such time as the Contractor provides information to the Contracting Officer  
9 pursuant to subdivision (a) of this Article, a copy of such information shall be provided to the Operating  
10 Non-Federal Entity.

11 ASSIGNMENT LIMITED--SUCCESSORS AND ASSIGNS OBLIGATED

12 31. (a) The provisions of this Contract shall apply to and bind the successors and assigns of  
13 the parties hereto, but no assignment or transfer of this Contract or any right or interest therein shall be valid  
14 until approved in writing by the Contracting Officer.

15  
16 (b) The assignment of any right or interest in this Contract by either party shall not  
17 interfere with the rights or obligations of the other party to this Contract absent the written concurrence of  
18 said other party.

19 (c) The Contracting Officer shall not unreasonably condition or withhold approval of any  
20 proposed assignment.

21 SEVERABILITY

22 32. In the event that a person or entity who is neither (i) a party to a Project contract, nor (ii) a

1 person or entity that receives Project Water from a party to a Project contract, nor (iii) an association or  
2 other form of organization whose primary function is to represent parties to Project contracts, brings an  
3 action in a court of competent jurisdiction challenging the legality or enforceability of a provision included in  
4 this Contract and said person, entity, association, or organization obtains a final court decision holding that  
5 such provision is legally invalid or unenforceable and the Contractor has not intervened in that lawsuit in  
6 support of the plaintiff(s), the parties to this Contract shall use their best efforts to (i) within thirty (30) days of  
7 the date of such final court decision identify by mutual agreement the provisions in this Contract which must  
8 be revised and (ii) within three (3) months thereafter promptly agree on the appropriate revision(s). The time  
9 periods specified above may be extended by mutual agreement of the parties. Pending the completion of the  
10 actions designated above, to the extent it can do so without violating any applicable provisions of law, the  
11 United States shall continue to make the quantities of Project Water specified in this Contract available to the  
12 Contractor pursuant to the provisions of this Contract which were not found to be legally invalid or  
13 unenforceable in the final court decision.

#### 14 RESOLUTION OF DISPUTES

15 33. Should any dispute arise concerning any provisions of this Contract, or the parties' rights and  
16 obligations thereunder, the parties shall meet and confer in an attempt to resolve the dispute. Prior to the  
17 Contractor commencing any legal action, or the Contracting Officer referring any matter to Department of  
18 Justice, the party shall provide to the other party thirty (30) days' written notice of the intent to take such  
19 action; Provided, That such notice shall not be required where a delay in commencing an action would

1 prejudice the interests of the party that intends to file suit. During the thirty (30) -day notice period, the  
2 Contractor and the Contracting Officer shall meet and confer in an attempt to resolve the dispute. Except as  
3 specifically provided, nothing herein is intended to waive or abridge any right or remedy that the Contractor  
4 or the United States may have.

5 OFFICIALS NOT TO BENEFIT

6 34. No Member of or Delegate to Congress, Resident Commissioner, or official of the  
7 Contractor shall benefit from this Contract other than as a water user or landowner in the same manner as  
8 other water users or landowners.

9  
10 CHANGES IN CONTRACTOR-S SERVICE AREA

11  
12 35. (a) While this Contract is in effect, no change may be made in the Contractor's Service  
13 Area or boundaries, by inclusion or exclusion of lands, dissolution, consolidation, merger, or otherwise,  
14 except upon the Contracting Officer's written consent.

15  
16 (b) Within thirty (30) days of receipt of a request for such a change, the Contracting  
17 Officer will notify the Contractor of any additional information required by the Contracting Officer for  
18 processing said request, and both parties will meet to establish a mutually agreeable schedule for timely  
19 completion of the process. Such process will analyze whether the proposed change is likely to: (i) result in  
20 the use of Project Water contrary to the terms of this Contract; (ii) impair the ability of the Contractor to pay  
21 for Project Water furnished under this Contract or to pay for any Federally-constructed facilities for which  
22 the Contractor is responsible; and (iii) have an impact on any Project Water rights applications, permits, or  
23 licenses. In addition, the Contracting Officer shall comply with the National Environmental Policy Act and  
24 the Endangered Species Act. The Contractor will be responsible for all costs incurred by the Contracting

Officer in this process, and such costs will be paid in accordance with Article 25 of this Contract.

#### FEDERAL LAWS

36. By entering into this Contract, the Contractor does not waive its rights to contest the validity or application in connection with the performance of the terms and conditions of this Contract of any Federal law or regulation; Provided, That the Contractor agrees to comply with the terms and conditions of this Contract unless and until relief from application of such Federal law or regulation to the implementing provision of the Contract is granted by a court of competent jurisdiction.

#### NOTICES

37. Any notice, demand, or request authorized or required by this Contract shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered to the Area Manager, \_\_\_\_\_, and on behalf of the United States, when mailed, postage prepaid, or delivered to the Board of Directors/City Council of the \_\_\_\_\_. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this Article for other notices.

#### CONFIRMATION OF CONTRACT

38. The Contractor, after the execution of this Contract, shall promptly seek to secure a decree of a court of competent jurisdiction of the State of California, confirming the execution of this Contract. The Contractor shall furnish the United States a certified copy of the final decree, the validation proceedings, and all pertinent supporting records of the court approving and confirming this Contract, and decreeing and adjudging it to be lawful, valid, and binding on the Contractor.

1  
2 IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day and year  
3 first above written.  
4

5 THE UNITED STATES OF AMERICA  
6  
7  
8

9 By: \_\_\_\_\_  
10 Regional Director, Mid-Pacific Region  
11 Bureau of Reclamation  
12  
13

14 [NAME OF CONTRACTOR]  
15  
16  
17

18 By: \_\_\_\_\_  
19 President of the Board of Directors  
20  
21

22 Attest:  
23  
24  
25

26 By: \_\_\_\_\_  
27 Secretary of the Board of Directors



R.O. Draft ~~11/30-2000~~ 8/21-2003  
Based on CVP-Wide Form ~~11-05~~ 6/10-2003  
CVP M&I Only LTRC  
Contract No. \_\_\_\_\_ - LTR1

EXHIBIT A

[Map or Description of Service Area]

R.O. Draft ~~11/30-2000~~ 8/21-2003  
Based on CVP-Wide Form ~~11-05~~ 6/10-2003  
CVP M&I Only LTRC  
Contract No. \_\_\_\_\_ - LTR1

EXHIBIT B  
[Initial Rates and Charges]